

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

LEDUC GIFTS & SPECIALTY
PRODUCTS, LLC,
d/b/a Signature USA,

Civil No. 15-2743 (JRT/DTS)

Plaintiff,

v.

ORDER

DANIEL SACHS, DSC PRODUCTS, INC.
and DSC PRODUCTS HOLDING, LLC,

Defendants.

4BRAVA, LLC,

Civil No. 15-2744 (JRT/DTS)

Plaintiff,

v.

DANIEL SACHS, DSC PRODUCTS, INC.
and DSC PRODUCTS HOLDING, LLC,

Defendants.

Adrianna Shannon, Bonnie Smith, **SHANNON LAW, LLC**, 333 South Seventh Street, Suite 2830, Minneapolis, MN 55402, for plaintiff.

Bruce L. Gisi, Troy Hutchinson, **ROCK HUTCHINSON, PLLP**, 120 South Sixth Street, Suite 2050, Minneapolis, MN 55402, Daniel N. Rosen, **PARKER ROSEN, LLC**, 123 North Third Street, Suite 888, Minneapolis, MN 55401, Malte L. L. Farnaes, **FARNAES & LUCIO, APC**, 135 Liverpool Drive, Suite C, Cardiff, CA 92007, for defendants.

A Report and Recommendation was filed by Magistrate Judge David T. Schultz on June 29, 2017. No objections have been filed to that Report and Recommendation in the time period permitted.

Based on the Report and Recommendation of the Magistrate Judge, all the files, records, and proceedings herein, **IT IS HEREBY ORDERED** that:

1. Defendant Sachs is found in contempt of court for his failure to appear as ordered at the May 24, 2017 hearing, of which contempt he purged himself by appearing at the June 16, 2017 hearing.

2. Each Defendant is found in contempt of court for failure to provide the discovery ordered by this Court in May 2016 and again in May 2017. [Civil 15-2744, Docket No. 160]. Defendants can purge themselves of contempt by fully complying with these orders.

3. Defendant Sachs is found in contempt of court for failing to assist in the wind up of Three Two Eight's company affairs by providing financial information and documents, issuing payments to remaining creditors and distributing additional funds pursuant to Minn. Stat. Ch. 322B. Sachs has partially purged himself of contempt by remitting a partial payment of \$572,000 to Plaintiffs on June 20, 2017.

4. Chief Judge John R. Tunheim's March 30, 2017 Order provided Sachs three months to execute and file Three Two Eight's termination papers. Given the circumstances the Court recognizes that the windup of Three Two Eight will not occur by June 30, 2017. That deadline is extended to August 31, 2017. Sachs is required to produce all information necessary to facilitate the windup of Three Two Eight.

5. Defendants are found in contempt for failing to pay Plaintiffs' attorneys' fees as ordered by the Court [Civil 15-2744. Docket No. 198], of which contempt they purged themselves by paying the fees on June 19, 2017.

6. Discovery will be reopened regarding the newly-produced documents and as concerns the dissolution of Defendant DSC Products Holding, LLC. Discovery is not stayed because Sachs's personal bankruptcy and the bankruptcy of Defendant DSC Products, Inc. have been terminated. The Court will issue a new scheduling order after it conducts a settlement conference. A separate Order for Settlement Conference will issue shortly.

7. As ordered at the hearing, Defendants have provided the Court with complete access to the document repository "Basecamp" so that the Court can assure itself that discovery has been completed.

8. Defendants' counsel shall review all e-mails in Defendants' possession for production to Plaintiffs and/or placement on a privilege log no later than July 14, 2017.

Dated: July 24, 2017
at Minneapolis, Minnesota

s/John R. Tunheim
JOHN R. TUNHEIM
Chief Judge
United States District Court